



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, Washington 98101

January 3, 1997

Reply to
Attn of: ECL-110

CONFIDENTIAL

MEMORANDUM

SUBJECT: McCormick & Baxter (Site P9) Cost Recovery Package

FROM: Sharon Eng *Sharon Eng*
Superfund Cost Recovery Coordinator

TO: Ted Yackulic
ORC Site Attorney

Debbi Yamamoto
Remedial Project Manager

Yu-Ting Liu
Remedial Project Manager

In preparation of your upcoming meeting with the insurance companies, I am releasing to you the cost recovery package for **McCormick & Baxter (site P9)**. This package covers the period of Day One through 6/30/96, and will include cost documents to prove EPA expenditures, as well as work performed documents to describe the Superfund response actions taken at the site. The information contained in the package can be used as a "refresher" of what happened at P9.

Please note that in section 8 of the cost package, there are handwritten remarks on the Statement of Work for the ICF contract 68-W9-0059. You may want to review the remarks before releasing any documents to the PRPs.

Let me remind you of the need to protect the Confidential Business Information (CBI) that may be found in the entire cost recovery package. It is my understanding, in accordance with the revised regulations in 40 CFR 2.310 as they pertain to the disclosure of CBI, that ORC will obtain the necessary contractual agreement from the PRP(s) to protect the information that may be contained in the **McCormick & Baxter** documents.

If you have any questions or comments, please contact me at X-2120, or Moe Lance at X-2871. Thanks!

Attachment

cc: Marcia Colvin
Moe Lance

Cost
pkg.
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Yu-Ting.
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CERTIFIED BY FINANCIAL MANAGEMENT OFFICE

ITEMIZED COST SUMMARY REPORT
MCCORMICK & BAXTER CREOSOTE, PORTLAND, OR SITE ID = 10 P9

COSTS FROM 10/01/80 THROUGH 06/30/96

REGIONAL PAYROLL COSTS	\$ 108,610.40
HEADQUARTERS PAYROLL COSTS	16,375.80
EPA INDIRECT COSTS.....	294,844.85
REGIONAL TRAVEL COSTS.....	6,827.78
HEADQUARTERS TRAVEL COSTS.....	852.45
ALTERNATIVE REMEDIAL CONTRACT SUPPORT (ARCS)	
ICF TECHNOLOGY, INC. (68-W9-0059).....	46,567.77
CONTRACT LAB PROGRAM	
FINANCIAL COST SUMMARY.....	3,965.71
OTHER EXPENDITURES	
AGENCY FOR TOXIC SUBSTANCES & DISEASE (ATSDR).....	201,896.02
NATL OCEANIC & ATMOSPHERIC ADMINISTRATION (NOAA).....	10,118.34
ROBERT ATHMANN (9410PCR021).....	67.00
ROBERT ATHMANN (9510PCR034).....	11.75
THE OREGONIAN (95AV0018).....	1,436.64
STATE COOPERATIVE AGREEMENT (SCA)	
OREGON DEPT OF ENVIRONMENTAL QUALITY (V99042101).....	607,400.00
WAKE-UP (V99043001).....	15,044.00
TECHNICAL ASSISTANCE TEAM (TAT) CONTRACT	
ECOLOGY AND ENVIRONMENT, INC. (68-W0-0037).....	4,089.38
TOTAL SITE COSTS:	
	\$ 1,318,107.89

State of Oregon

Department of Environmental Quality

Memorandum

Date: July 25, 1996

To: Larry Edelman, DOJ

From: Bill Dana, DEQ *BD*

Subject: McCormick & Baxter Costs

Larry, I recently replaced Bruce Gilles as DEQ's Project Manager for the McCormick & Baxter Superfund Site. I understand that you called Bruce on July 12, 1996, regarding the pending insurance claim for the site. You requested that DEQ provide you with a summary of DEQ's response costs to date, and an estimate of Remedial Action and O&M costs to be incurred.

Enclosed are a copies of the following documents which are pertinent to your request:

- March 1996 Record of Decision (ROD) for the site;
- DEQ's Sept. 1995 application to EPA for credit for remedial action costs;
- EPA's June 1996 draft audit report ,concerning DEQ's credit application;
- DEQ's July 1996 letter of response to EPA's draft audit report;
- DEQ's July 1996 Accounting Schedule for the McCormick & Baxter site;
- March 1995 Superfund State Contract for Interim Remedial Action; and
- May 1996 Superfund State Contract for Remedial Design/Remedial Action.

As can be seen on the Accounting Schedule, DEQ has incurred a total of approximately \$7.9 million in costs for the McCormick & Baxter project, through April 1996. As the draft Audit Report and DEQ's letter of response indicate, DEQ should receive credit for about \$2.9 million of these past costs , which can be applied to the State's projected share of the future remedial action costs (see below). However, the \$2.9 million credit is not a refund and does not reduce DEQ's \$7.9 million costs to date.

As stated in the ROD, estimated remedial action costs are about \$21 million, of which approximately \$13 million are capital costs and approximately \$8 million are O&M costs (in today's dollars). The remedy will be financed primarily with federal Superfund monies. However, Oregon is required to pay 10% of the remedial action costs, excluding O&M, or about \$1.3 million. As described above, DEQ should receive more than enough credit for past interim remedial action costs to cover the 10% requirement. Therefore, no additional "remedial action" costs to the state are projected.

As stated above, O&M costs are estimated to be about \$8 million. As indicated in the RD/RA Contract, EPA is responsible for up to 10 years of O&M costs. Oregon is responsible for any remaining O&M costs. O&M costs for the first 10 years are estimated to be about \$500,000 per

year. Thus, EPA's share of O&M costs should be about \$5 million.. DEQ's projected O&M costs are therefore about \$3 million.

In summary, DEQ's estimated total costs for investigation and cleanup of the McCormick & Baxter site are about \$11 million, consisting of about \$7.9 million in past costs and \$3 million in projected future costs. Please let me know if you have any questions concerning this matter.

enclosures

cc: Lon Revall, DEQ (w/o enclosures)
Sally Puent, DEQ (w/o enclosures)
Steve Campbell, DEQ (w/o enclosures)
Bruce Gilles, DEQ (w/o enclosures)
Debbi Yamamoto, EPA (w/enclosures)